

Message Text

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ACTION EA-14

INFO OCT-01 ISO-00 AID-20 CIAE-00 COME-00 EB-11 FRB-02

INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 CIEP-02

LAB-06 SIL-01 OMB-01 AGR-20 DRC-01 STR-08 DODE-00

PM-07 H-03 L-03 NSC-10 PA-03 PRS-01 SS-15 USIA-15

SCI-06 EPA-04 CEQ-02 INT-08 SCEM-02 GSA-02 /198 W

----- 031890

R 070937Z SEP 73

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 6590

INFO AMEMBASSY BANGKOK

AMEMBASSY JAKARTA

AMEMBASSY KUALA LUMPUR

AMEMBASSY MANIALA

AMEMBASSY SINGAPORE

C O N F I D E N T I A L TOKYO 11552

E.O. 11652: GDS

TAGS: ETRD, EGEN, PFOR, ID, MY, SN, TH, JA

SUBJ: ASEAN PROTEST TO JAPAN OVER SYNTHETIC RUBBER

REF: A. BANGKOK 5939

B. JAKARTA 10293

SUMMARY: JAPAN AND ASEAN COUNTRIES HAVE EXCHANGED AIDES MEMOIRE RE DEVELOPMENT JAPANESE SYNTHETIC RUBBER INDUSTRY AND EXPORTS. ASEAN AIDE MEMOIRE ALLEGED FUTURE DAMAGE TO ECONOMIES FROM JAPANESE INDUSTRY AND REQUESTED CONSULTATIONS. JAPANESE AIDE MEMOIRE OPINED JAPANESE INDUSTRY WOULD NOT HAVE ADVERSE EFFECTS ON ASEAN COUNTRIES AND SAID GOJ WILLING DISCUSS WAYS AND MEANS OF CONSULTING. IT ALSO SAID GOJ AWARE ASEAN COUNTRIES' CONCERNS AND WOULD KEEP RUBBER SUPPLY/DEMAND PROJECTIONS IN MIND IN DEVELOPING SYNTHETIC RUBBER INDUSTRY. GOJ AWAITING ASEAN RESPONSE. END SUMMARY.

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1. JAPANESE PRESS DURING MONTH OF AUGUST CONTAINED SEVERAL ARTICLES DEALING WITH ALLEGED ASEAN-JAPAN DISPUTE OVER JAPAN'S DEVELOPMENT OF SYNTHETIC RUBBER INDUSTRY AND INCREASING SYNTHETIC RUBBER EXPORTS. ON AUGUST 31 EMBOFF MET WITH TAKANO, DEPUTY HEAD, REGIONAL POLICY DIVISON, ASIAN AFFAIRS BUREAU, FONOFF, WHO PROVIDED THE FOLLOWING INFORMATION.

2. QUESTION OF PRODUCTION OF SYNTHETIC RUBBER HAS BEEN UNDER CONTINUING STUDY IN INTERNATIONAL RUBBER STUDY GROUP (IRSG). IN APRIL 1973 JOINT COMMUNIQUE FOLLOWING MINISTERIAL MEETING IN BANGKOK (REF A) AND IN PRESS STATEMENT ISSUED EARLY JULY FOLLOWING MEETING OF NATIONAL SECRETARIATS' SECRETARIES GENRAL IN JAKARTA, ASEAN SPECIFICALLY MENTIONED PROBLEMS CAUSED OR TO BE CAUSED TO MEMBER COUNTRIES' ECONOMIES BY JAPANESE SYNTHETIC RUBBER INDUSTRY. ON AUGUST 6, ACCORDING TAKANO, INDONESIAN FOREIGN MINISTER MALIK, IN CAPACITY AS CHAIRMAN, ASEAN STANDING COMMITTEE, DELIVERED AIDE MEMOIRE ON SUBJECT TO GOJ AMB TO INDONESIA TANAKA. SIMULTANEOULSY, IDENTICAL AIDES MEMOIRE WERE DELIVERED TO JAPANESE AMBASSADORS IN OTHER ASEAN COUNTRIES. THRUST OF AIDES MEMOIRE, REFERRING NOT TO PRESENT BUT TO FUTURE PROBLEM, WAS THAT JAPANESE SYNTHETIC RUBBER INDUSTRY WOULD HAVE ADVERSE EFFECTS ON ASEAN COUNTRIES' ECONOMIES. AIDES MEMOIRE ALSO INCLUDED PROPOSAL FOR REGULAR GOJ-ASEAN CONSULTATIONS ON THE PROBLEM.

3. ON AUGUST 24, GOJ AMB TANAKA DELIVERED AIDE MEMOIRE IN REPLY TO FORMIN MALIK; SIMULTANEOULSY, GOJ AMBASSADORS IN OTHER ASEAN COUNTRIES HANDED OVER COPIES OF AIDE MEMOIRE TO HOST GOVTS. GOJ AIDE MEMOIRE NOTED THAT GOJ HAD BEEN STUDYING THE QUESTION OF SYNTHETIC RUBBER PRODUCTION AND UNDERSTOOD CONCERN FORASEAN COUNTRIES. GOJ PROPOSED TO CONTRIBUTE TO INTERNATIONAL COOPERATON ON SYNTHETIC RUBBER PROBLEMS THROUGH INTERNATIONAL FORUMS SUCH AS IRSG. HOWEVER, IN THIS CASE, AIDE MEMOIRE ADDED, GOJ IS WILLING TO HAVE A DIALOGUE DIRECTLY WITH ASEAN COUNTRIES. GOJ AIDE MEMOIRE DID NOT OFFER TO ENTER INTO CONSULTATIONS AS REQUESTED BY ASEAN, BUT DID OFFER TO DISCUSS WAYS AND MEANS OF CONSULTING. GOJ IS THINKING OF DISUCSSIONS IN TOKYO, TAKANO SAID, BUT THIS UP TO ASEAN. GOJ AIDE MEMORE, SIMILARLY TO ASEAN AIDE MEMOIRE, DID NOT ADDRESS PROBLEM AS PRESENT PROBLEM, BUT OPINED THAT JAPANESE INDUSTRY WOULD NOT HAVE ADVSESE

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EFFECTS ON ASEAN ECONOMIES.

4. ASEAN COUNTRIES DISCUSSED JAPANESE AIDE MEMOIRE AT MEETING IN MANILA TOWARDS END OF AUGUST, BUT HAVE NOT YET RESPONDED. AS ASEAN ACTS EITHER THROUGH MINISTERIAL MEETINGS OR STANDING COMMITTEE, GOJ DOES NOT EXPECT RAPID REPLY, TAKANO SAID.

5. TAKANO EXPLAINED THAT IN GOJ VIEW JAPANESE SYNTHETIC RUBBER

INDUSTRY HAS NOT DAMAGED ASEAN COUNTRIES' NATURAL RUBBER INDUSTRIES AND IT IS DIFFICULT TO FORESEE ANY DAMAGE ARISING IN FUTURE. RUBBER PRICES GENERALLY ARE RISING. ENVIRONMENTAL POLLUTION PROBLEMS AND SHORTAGE OF OIL ARE RESTRAINING GROWTH OF JAPANESE SYNTHETIC INDUSTRY. IRSG HAS CONDUCTED STUDIES ON SUPPLY AND DEMAND OF RUBBER THROUGH 1980. ACCORDING TO THAT STUDY, 1980 WILL SEE ANNUAL SHORTAGE OF ONE MILLION TONS SYNTHETIC RUBBER (EVEN ASSUMING CONTINUED GROWTH OF JAPANESE INDUSTRY) AND FIVE HUNDRED THOUSAND TON SURPLUS NATURAL RUBBER. SYNTHETIC AND NATURAL RUBBER ARE COMPLEMENTARY, ACCORDING TAKANO, AND SURPLUS NATURAL RUBBER COULD BE USED TO MEET SHORT-AGE SYNTHETIC RUBBER. INTERNATIONAL RUBBER STUDY GROUP WILL FURTHER STUDY THIS QUESTION. GOJ TOLD ASEAN THAT TI WOULD PAY DUE REGARD TO FORECASTED SUPPLY AND DEMAND SITUATION IN PLANNING JAPANESE SYNTHETIC RUBBER PRODUCTION.

6. AS HIS PERSONAL OPINION, TAKANO SAID HE DID NOT SEE THIS MATTER TURNING INTO SERIOUS JAPAN-ASEAN PROBLEM. ASEAN COUNTRIES OTHER THAN MALAYSIA DO NOT SEEM SO INTERESTED IN MATTER; MALAYSIA IS TAKING LEAD AND OTHER COUNTRIES ARE FOLLOWING. MALAYSIA ESPECIALLY INTERESTED DUE TO IMPORTANCE NATURAL RUBBER INDUSTRY PLAYS IN ECONOMY AND EXPORTS. MATTER WAS DISCUSSED DURING RECENT VISIT MALAYSIAN PRIME MINISTER TO TOKYO, AND JAPAN WILL CONTINUE BILATERAL TALKS WITH MALAYSIA. ONCE MALAYSIA HAS BEEN QUITE APPEASED UNQUOTE, TAKANO SAID, PROBLEM WILL BE RESOLVED.
SHOESMITH

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INDUSTRIAL PRODUCTION, PRESS COMMENTS, PUBLIC DEMONSTRATIONS, SYNTHETIC RUBBERS
Control Number: n/a
Copy: SINGLE
Draft Date: 07 SEP 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973TOKYO11552
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS SHOESMITH
Errors: N/A
Film Number: n/a
From: TOKYO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730947/aaaabiqs.tel
Line Count: 142
Locator: TEXT ON-LINE
Office: ACTION EA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: A. BANGKOK 5939
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 13 NOV 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <13-Nov-2001 by elyme>; APPROVED <18-Dec-2001 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ASEAN PROTEST TO JAPAN OVER SYNTHETIC RUBBER
TAGS: ETRD, EGEN, PFOR, ID, MY, SN, TH, JA, ASEAN
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005